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Morgan Stanley

Australian Emerging Companies Conference

"Why I love waste" - Steve Gostlow, June 2014

Disclaimer

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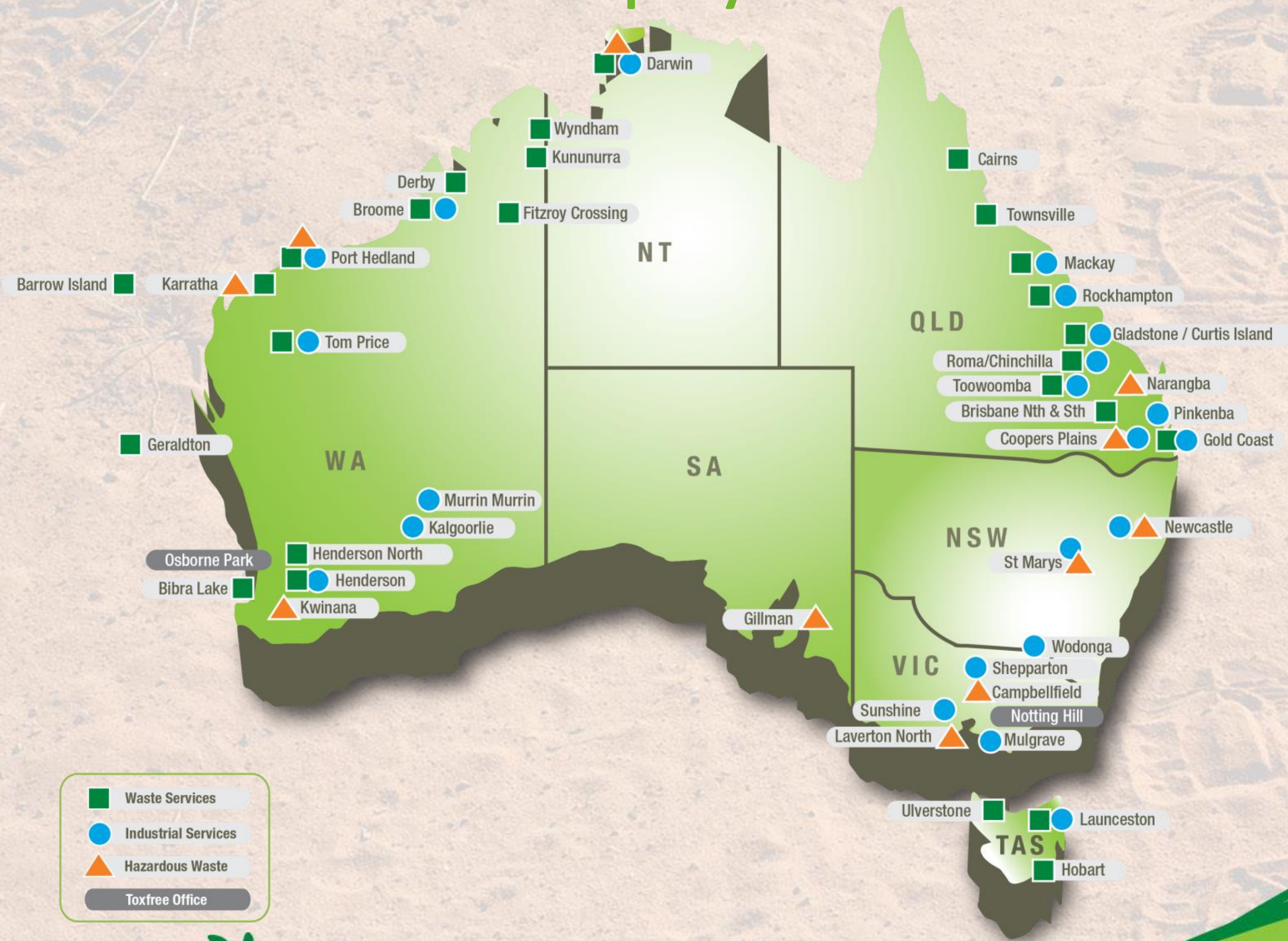
Key points

Agenda	
1	Our history
2	Corporate strategy
3	Why I love waste
4	Target market and clients
5	A future Toxfree
6	Outlook

Toxfree – Creating Australia's Leading Waste Management And Industrial Services Company



- One of the largest industrial service and waste management businesses in Australia
- 57 strategically located operations throughout Australia
- Employs over 1100 people nationally
- Diverse range of industrial and waste services to all market sectors

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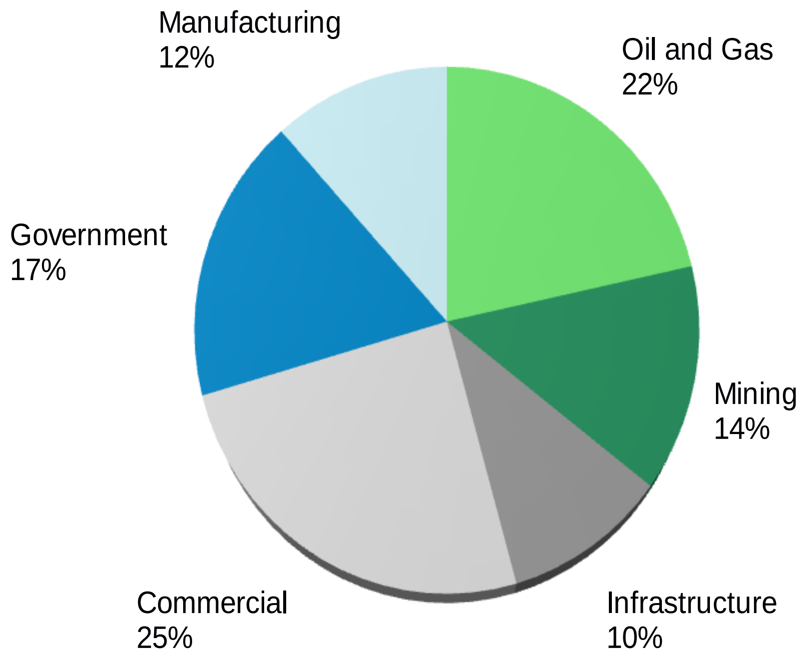
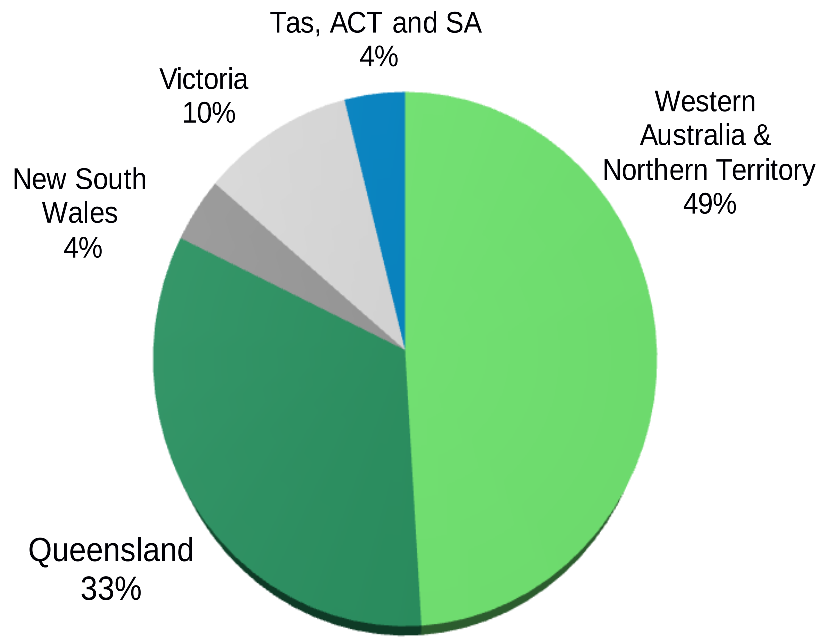
A Diversified Business – Revenue by Market Sector and Geography

Estimated on FY2014 forecasts





Over 85% of revenue is generated from producing assets

Over 40% of revenue is leveraged to the broader Australian Economy

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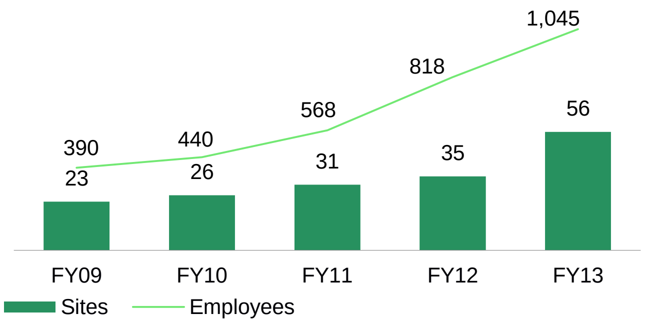
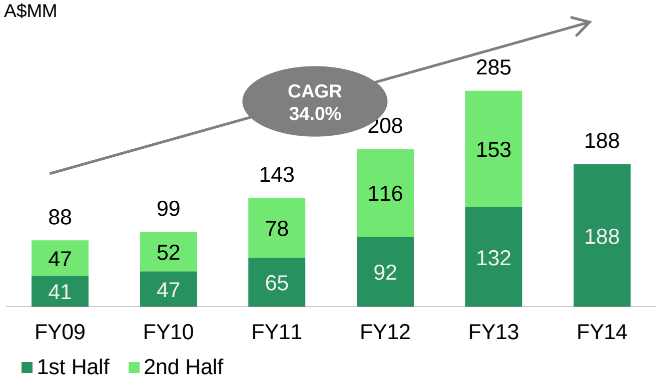
Our track record

Sites and Employees



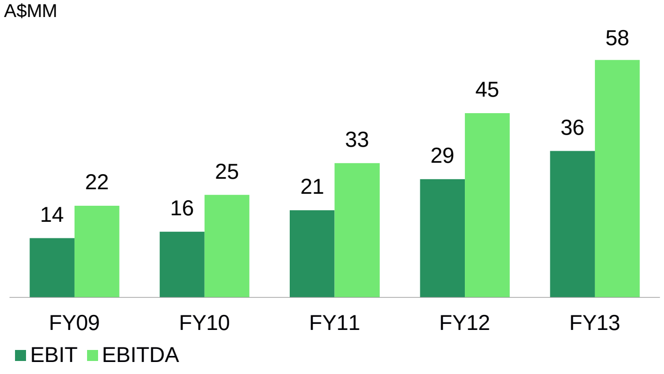
Revenue

A$MM



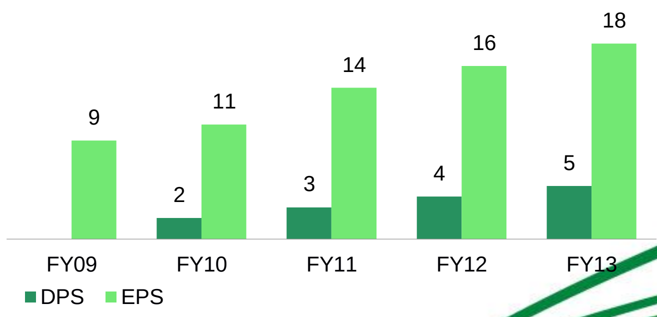
Underlying EBITDA* and EBIT*

A$MM



Underlying EPS* and DPS

Cents/Share



**Non-IFRS Financial Information*

Corporate Strategy

Technical and Environmental Services

Leader in Hazardous and Industrial Waste Management Nationally

- Innovation, best practice, low operating cost technologies, centres of excellence, resource recovery
- Unique and Strategic Licences throughout Australia
- High barriers to entry
- Servicing all industry sectors, households and government

Total Waste Management

Provide all waste services in all regional hubs of Australia

- Regional focus - WA, QLD, Tas and NT
- Total waste management solutions
- Municipal, Commercial, Industrial
- One stop shop

Industrial services

Leader in provision of industrial services throughout Australia

- Producing assets
- Long term contracts
- Blue chip clients
- Ideally integrated with waste services
- Mining, Oil and Gas, Heavy Industry

Integrated services

Safe, Reliable and Sustainable

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Why I love waste!

- Every single person and industry in the world generates waste

- At 50m tonnes pa and $11.9Bn in revenue pa, the market in Australia is large, and growing around 4-5% p.a.

- There are many key drivers that increase the available waste market at a rate greater than population growth

    1. Sustainability - There is a global trend for more sustainable practices driven by public and corporate social responsibility

    2. Landfill avoidance - Increasing government landfill levies, regulation and disposal costs will continue to drive recycling and divert waste from landfill

    3. Regulation and policy - Government regulation, policy and environmental sustainability is driving the transition from landfill to recycling and resource recovery.

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Why I love waste!

- Australia is the 2nd highest producer of waste per capita behind USA at 2.1 tonnes per head p.a.
- Barriers to entry are high – capital, scale, licenses, technology, IP and experience
- Market is fragmented in Australia – top 5 waste companies represent only 50% of the market
- Large clients are aggregating procurement and increasing numbers seek a “One Stop Shop” solution
- Resource sector spending for major capital projects has reduced but the market to service producing assets is large and growing post the capex cycle

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Target clients and industries

- Target industries includes the oil / gas, mining and heavy manufacturing sector particularly those with a triple bottom line focus
  - They offer tenure and certainty of earnings (long term contracts)
  - Generally require the services of one contractor to provide total waste management services and/or integrated industrial services
  - Have an equal importance on safety and environment as well as bottom line
  - They demand productivity, service, reliability, safety, speed of response, innovation, best practice, sustainability and reporting
- These attributes provide Tox Free with its best ability to achieve desirable rates / returns and fulfill strategic objectives
- Toxfree’s target market (based on our strategy) is estimated at $4 - $5 Bn pa

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Our competitive advantages

- Total Waste Management capability (One stop shop)
- Resource recovery and treatment of industrial and hazardous waste – not just collection
- Facilities and licenses
- Best practice technologies
- Lowest operating cost
- Sustainable waste treatment
- A comprehensive waste tracking and reporting system
- Fleet – maintained, consistent and reliable
- Safety culture - harmfree
- Aligned culture and values – Safe, Reliable and Sustainable
- Best people in the industry

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What does a future Toxfree look like?

- New greenfield sites and strategic acquisitions in geographic areas linked to our target markets
- New treatment facilities and new technologies within our target markets
- Management of problematic waste streams including
  - Used oil
  - Batteries
  - Tyres
  - Clinical and medical waste
  - Other problematic wastes (eg NORMs)
- Business development – focus on long term contracts
- Continued organic growth

Summary

- Strategy - use our competitive advantages to be the best in the industry
- Target market - $4 - $5Bn pa
- Values – safe, reliable sustainable
- Business development – targeting new long term contracts
- Acquisitions – strategic and within our debt and EPS criteria
- Strategic plan - key areas of focus for all aspects of the business
- Standardisation and back office efficiencies to enable growth and manage risk
  - Enterprise Resource Planning system upgrade
  - Consistent applications / front end systems
  - Consistent and well promoted brand
  - Employee development and training
  - Safety
  - Shared services consolidation
  - Legal entity rationalisation

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Outlook

- The Australian economy is in a period of change as major capital projects to the resource sector transition to production and other industry sectors remain soft – capturing market share is the key

Short term

- Second half operational trading is similar to the first half;
- Industrial and waste services remain subdued in the infrastructure and commercial sector
- At this point we remain on the construction contract at Barrow Island until the transfer station is completed and we move into the operational contracts
- As a result, second half earnings are expected to be slightly lower than the first half

Medium to long term

- Queensland – Surat basin expected to continue to perform strongly – CSG drilling expected to peak in 2020
- New infrastructure projects announced in recent federal and state government budgets provide optimism in the medium term
- Technical and Environmental Services expected to continue to perform well
- Pilbara region continues to grow organically as our clients increase production from completed capex spends
- The available waste market is large and with time Toxfree is confident on continuing to build its market share through organic growth, contract award and strategic acquisition

Questions?

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